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January 28, 2011

National Telecommunications and Information Administration
U.S. Department of Commerce
1401 Constitution Avenue, N.W.
Room 4725
Washington, D.C. 20230

Re: Department of Commerce Report on “Commercial Data Privacy and
Innovation on the Internet Economy: A Dynamic Policy Framework”

CMP.LY, Inc. commends the Department of Commerce on the work and thought that has gone into the “green paper” on innovation and privacy and we are honored to be able to comment and offer our perspectives on these important issues in the continuing effort to build a policy structure that protects consumer privacy and stimulates technology innovation.

I. Summary

CMP.LY was formed to address complex disclosure requirements in a simplified and standardized manner. We have addressed the needs of businesses with dynamic and innovative approaches and have developed a framework of readable, visual, identifiable statements and iconic images as well as systems for documentation and verification of process and compliance. These iconic representations are used to disclose material connections under the FTC Guidelines for Testimonials and Endorsements, across forms of digital media including blogs, web pages and, in particular, in short form messaging platforms such as Tweets and social media status updates.

Within CMP.LY, each common disclosure is represented by an icon-based reference (for example: <http://cmp.ly/4> or <http://cmp.ly/business> would indicate that a business relationship exists between the author and subject). Linked disclosures include standardized language that is intended to provide a layman's description of the disclosed relationship including simple bulleted lists of common uses of that



particular disclosure code written in plain English. In addition, a unique reference can be appended to that disclosure (for example: <http://cmp.ly/4/v4qlkq> which indicates that I am a co-founder of CMP.LY and provides additional notes). These references can be included directly in the body of a Tweet or short-form message to indicate a specific disclosure in relatively few characters.



Additionally, we provide a badge-based icon, which indicates a disclosure in context and then links to a full text disclosure with additional details. In these examples, a clear and conspicuous statement is presented within a standardized iconic compliance format, which then enables a reader to prima facie understand the context of the statement and to link directly to detailed statements and disclosures. In our advertiser commercial solution, an

advertiser can maintain an audit trail documenting public notes as well as terms and best practice guides defining their disclosure process for influencers. All of the coded references can be tracked individually and monitored to confirm compliance with a stated policy and an automated reporting tool generates alerts for influencer statements or posts that might be out of compliance.

It is our fundamental belief that in order to protect consumer and brand trust, openness and transparency of data practices should be incentivized and standardized. We would support a baseline set of principles that would clarify requirements and enable more informed choices. Data and privacy policy issues are confusing not only for consumers, but for businesses as well. The proposed dynamic

framework is needed, and will serve as the foundation of the fundamental principles outlined in the report. There is a clearly defined need to provide flexibility to adapt these principles to the rapidly evolving technology marketplace.

The United States can lead global interoperability, protecting privacy with enhanced transparency and informed choice. Uniformity of data best practices and representations can enable enhanced transparency, trust, innovation and verified evaluation and auditing across languages, regulations and platforms. We support the creation of a Privacy Policy Office (PPO) to work in conjunction with a multi-stakeholder process and FTC enforcement of the baseline principles of the proposed dynamic framework.

II. Dynamic Framework

The proposed dynamic framework is required to protect consumer trust and promote innovation. This framework forms the foundation of fundamental principles as defined by expanded Fair Information Practice Principles (FIPPs), while maintaining flexibility and interpretation within a highly dynamic marketplace. With this set of guiding principles and baseline rules, incentives can be put in place for businesses to incorporate privacy by design, transparency and informed choice.

Safe harbors against enforcement action offer protection and certainty for businesses complying with voluntary, enforceable codes of conduct. These safe harbors should be established by an open multi-stakeholder process including regulatory, NGO and industry perspectives.

Safe harbors should enable voluntary participation and adoption of a viable and balanced framework that is cost-effective and technically efficient. Such a method could include visual and machine-readable representations of standards based privacy policy statements and can be verified, evaluated and audited to determine whether further prescriptive regulatory action is required.

III. Uniformity and Standardization

An opportunity exists for the United States to lead global interoperability by enabling standardized representations of simplified privacy policy statements. Creating a system of universal icons and representations would present consumers with clearer notices and enable them to make more informed choices. Uniformity across multiple platforms while maintaining integrity of the standard is key to interoperability across language, regulatory and platform applications (including print, digital, mobile and web media) and would allow for increased transparency and enforcement of informed choice for consumer protection.

The easiest way to implement this dynamic framework would be to leverage the benefits of iconic compliance and the standardization of privacy policies in a manner that is flexible, clear and conspicuous and is managed in a manner that is both low cost and low friction to consumers and businesses alike. With sufficient transparency and informed choice you can protect consumers and enable innovation.

IV. Visual Representations

A method of iconic compliance can accomplish the stated goal to simplify, clarify and generally reduce the length of current privacy policy statements. Visual, readable and identifiable statements enable verification, evaluation & auditing against an established and standardized framework. Those statements can then be displayed as a clear visual display across multiple devices and include top-level detail for comparison as well as comprehensive detail in long-form views. Purpose specifications and use limitations can be codified and represented for consumers, data networks as well as for evaluation or negotiation against a given platform's data preferences.

V. Trust

Privacy protections are key to protecting consumer and brand trust relationships. The emerging public alarm around the treatment of privacy within social networks has demonstrated the need to better educate consumers and businesses on data best practices and for some common “rules of the road” for businesses to follow. We must balance increased transparency and consumer protection against complex informed choice mechanisms and confusion and obfuscation in the marketplace. The report discusses that the current system of notice-and-choice may leave consumers with doubts or misunderstandings about how companies handle data. Voluntary enforceable codes of conduct offering the protection of a safe harbor from enforcement are likely to incentivize businesses to adopt transparent programs that will provide consumers with information required for informed choices and engender greater trust in data practices.

VI. Privacy Policy Office

The establishment of a PPO would create an entity to serve as the foundation of the dynamic framework offering the focus on issues of data and privacy policies as well as the flexibility to adapt to and interpret the technological challenges ahead. In the role of convener, the PPO could bring together multiple stakeholders to develop, evaluate and adopt solutions designed to protect consumers, promote business innovations and maintain accountability.

VIII. Conclusion

CMP.LY thanks the Department for the opportunity to provide comments on the policy concerns that have been outlined in the Department’s “green paper” and throughout the NOI process. We know that these discussions will be ongoing and we are dedicated to assisting the Department as it develops out a dynamic



framework for privacy and innovation. CMP.LY looks forward to contributing to the dialogue in a meaningful and constructive manner.

Sincerely,

A handwritten signature in black ink, consisting of a large, stylized "T" followed by a long, sweeping horizontal line that ends in a small upward flick.

Tom Chernaik
CEO